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## ARGUMENTS/REMARKS

In the Final Office Action of January 15, 2010 (the "Final Office Action"): Claims 112, 114, 116-126, 129-144, 147-151, 153, 154, 157 and 161 are rejected under 35 USC 103(a) as being unpatentable over Chang et al (2003/125964 A1) ("Chang") in view of Nagel et al (US 5,592,549 A) ("Nagel").

Claim 112 claims "a method implemented in a computer for recording content distribution information in an adjunct to content, comprising: performing an exclusive-OR operation on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy," and such a method is believed to be neither taught nor suggested by Chang and Nagel, alone or in combination with each other.

Although Chang may update a watermark with a transferor's identification data (see ¶0049), it apparently does so in a direct manner by concatenating new user information into the watermark each time content is re-distributed (see ¶0050 "the transfer watermark interface module 476 updates the watermark by *adding* the consumer's IDxxxx to the watermark's history data").

As explained in the application, such a direct approach results in the size of the adjunct (e.g., watermark) growing as the content distribution path gets longer (see page 5, lines 23-29). Accordingly, it is an object of the present invention to provide a method for

recording content distribution information into an adjunct to content that does not substantially increase the size of the adjunct as the content distribution path gets longer (see page 6, lines 11-15).

To accomplish such objective, the present invention, as claimed in Claim 112, performs "an exclusive-OR operation on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy."

Chang, on the other hand, fails to teach or even suggest the use of an exclusive-OR operation for updating its watermark with a consumer's identification data IDxxxx. Therefore, the Final Office Action relies on newly cited Nagel as teaching this element of Claim 112. As explained below, however, such reliance is unsupportable in Nagel.

In Nagel, a brand code is added to information being received to identify an unauthorized copy (see Col. 3, lines 45-55). Examples of items included in the brand code include the date and time of retrieval (of the information) and an error detection code, such as a checksum (see Col. 11, lines 40-44). The brand code is generated within a decryption controller by combining two or more of the following items of data: serial number of the decryption controller device, the time and date, serial number or random number, and a site license option (see Col. 12, lines 16-31). Thus, although the brand code does not expressly include information of a copier (e.g., a user making a copy of the information

or a personal computer used for such copying), arguably the brand code may include "copier *related* information."

Thus, it appears that a reasonable argument might be made that inserting the brand code into a predetermined location in retrieved information (see Col. 11, lines 53-56) is akin to inserting copier related information into an adjunct to content as recited in Claim 112.

However, even if that were the case, Nagel fails to teach or suggest "performing an exclusive-OR operation on information in an adjunct to content with copier related information each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy," as recited in Claim 112.

Although Nagel uses a pair of exclusive-OR (XOR) operations (see FIG. 5), neither XOR has a purpose of modifying an adjunct to content to include copier related information for the generation of each authorized copy of the content, as required to teach or suggest this element of Claim 112. Instead, the first XOR is used to generate a decryption bit stream (of keys) using well known "cipher feedback" and the second XOR is used to decrypt encrypted information retrieved from a CD-ROM reader 12 using the decryption bit stream (see Col. 10, lines 16-35). [Note that although FIG. 5 shows the second XOR being performed in the PC 10, this is apparently incorrect and contradicted throughout Nagel since the decryption device 14 is described as performing the decryption and sending decrypted (clear text) information to the PC 10 (see, e.g., Col. 11, lines 16-20 describing actions taken by the decryption controller 14)].

Thus, Nagel's XOR operations are not used to add the brand code to the retrieved information. In fact, the brand code isn't necessarily even added during the decryption process. It may be added to the information either following, during or prior to decryption (see Col. 11, lines 53-59; also step 77 of FIG. 7).

In addition, Nagel does not teach or even suggest updating the brand code inserted in the retrieved information "each time a copy of the content is generated in a succession of copies of the content so that the information in the adjunct is modified to include the copier related information for the generation of each such copy," as recited in Claim 112. Extending the teachings of Nagel to a copy of the retrieved information would lead to a new brand code simply overwriting the previously stored brand code – resulting in copier related information only for the most recent copy, not copier related information for the generation of each such copy in a succession of copies.

Accordingly, Claim 112 is believed to be patentable under 35 USC 103(a) over Chang in view of Nagel for the foregoing reasons.

Claims 114 and 116-123 are also believed to be patentable under 35 USC 103(a) over Chang in view of Nagel since they depend from Claim 112, and as such, are believed to be patentable for at least the same reasons stated in reference to Claim 112.

Claim 124 claims an apparatus performing the method of Claim 112, and as such, is believed to be patentable under 35 USC 103(a) over Chang in view of Nagel for essentially the same reasons as stated in reference to Claim 112.

Claim 125 claims "a method for extracting content distribution information from a copy of content, comprising performing an exclusive-OR operation a plurality of times on an adjunct to a copy of content generated from a succession of copies of the content so that copier related information for each copy of the content in the succession of copies is extracted one-at-a-time in inverse order following each performance of the exclusive-OR operation until information of an original copy of the content is detected," and such a method is believed to be neither taught nor suggested by Chang and Nagel, alone or in combination with each other.

As previously explained, Chang doesn't even mention the use of XOR operations for any purpose. Although Nagel performs a pair of XOR operations, the pair is used for decryption purposes. Neither XOR is used for extracting content distribution information from a copy of content. In fact, no special operation is required to "extract" the brand code from the retrieved information in Nagel. It is simply read from the designated location in the information.

Accordingly, Claim 125 is believed to be patentable under 35 USC 103(a) over Chang in view of Nagel for the foregoing reasons as well as any applicable reasons stated in reference to Claim 112.

Claims 126 and 129-135 are also believed to be patentable under 35 USC 103(a) over Chang in view of Nagel since they depend from Claim 125, and as such, are believed to be patentable for at least the same reasons stated in reference to Claim 125.

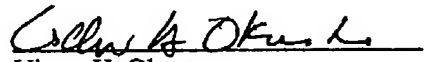
Claim 136 claims an apparatus performing the method of Claim 125, and as such, is believed to be patentable under 35 USC 103(a) over Chang in view of Nagel for essentially the same reasons as stated in reference to Claim 125.

Claims 136-144, 147-151, 153-154, 157, and 161 are also believed to be patentable under 35 USC 103(a) over Chang in view of Nagel for similar reasons as stated in reference to Claims 112, 114, 116-126, and 129-134, as applied to the relaying of packets of data through a plurality of network nodes.

Claims 112, 114, 116-126, 129-144, 147-151, 153, 154, 157 and 161 are pending in the application. Claims 1-111, 113, 115, 127, 128, 145, 146, 152, 155, 156 and 158-160 have been cancelled. Reconsideration of the rejection of the claims is respectfully requested and an early notice of their allowance earnestly solicited.

Respectfully submitted,

Dated: March 24, 2010



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